GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1287
ANSWERED ON:02.05.2016
MDA Scheme
Singh Shri Ganesh

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Government has introduced/proposes to introduce Market Development Assistance Scheme for the development of Khadi in the country;

(b) if so, the details thereof;

(c) whether the Government has taken any initiative to enhance the income of the workers engaged in Khadi industry; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Yes Madam.

(b)to (d): Government has introduced w.e.f 01.04.2010, a flexible, growth stimulating and artisan oriented Market Development Assistance (MDA) Scheme, in place of the erstwhile system of Rebate. Under MDA, financial assistance is provided to institutions @ 20% of the value of production of khadi and polyvastra, to be shared among artisans, producing institutions and selling institutions in the ratio 25:30:45. MDA provides institutions a flexibility to use the assistance for improving the outlets, products and production processes, besides giving incentive to customers, etc.

This scheme has been modified as Market Promotion Development Assistance (MPDA) scheme formulated as a unified scheme by merging different schemes/sub-schemes/ components of different Heads implemented in the 11th Plan, namely, Market Development Assistance, Publicity, Marketing and Market Promotion. A new component of Infrastructure namely setting up of Marketing Complexes /Khadi Plazas has been added to expand the marketing net worth of Khadi & VI products. Under the modified MPDA scheme, financial assistance is distributed amongst Artisans (40%), Producing Institutions (20%) and Selling Institutions (40%). This will result in enhancement of the earnings of artisans.
Funds released to KVIC under the MDA scheme during last three years and current year is given below:

(Rs. in crore)<pre>
Year B.E. Funds released
2012-13 93.80 137.74
2013-14 93.30 126.94
2014-15 86.83 196.94
2015-16 148.40 (RE) 147.48
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